



**GOCHNOUR & ASSOCIATES, INC.**

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September 25, 2003

*m/037/088*

Mr. Doug Jensen ✓  
State of Utah  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Ms. Denice Swanke  
Project Manager  
Bureau of Land Management  
82 East Dogwood  
Moab, Utah 84532

**APPROVED**

**DEC - 2 2003**

**DIV. OIL GAS & MINING**

**RE: Lisbon Valley Mining Co. LLC (Summo USA Corporation - Operator)  
Request to Perform Exploration Drilling - Fall 2003  
GTO Pit Area of the Lisbon Valley Project**

Mr. Jensen & Ms. Swanke:

Per recent phone conversations, Lisbon Valley Mining Co., LLC (Summo USA Corporation - Manager) hereby requests approval from the Division of Oil, Gas & Mining (DOGM) and the Bureau of Land Management (BLM) to access and drill up to twenty-five (25) exploration/development holes at the Lisbon Valley Project. The purpose of these holes is to confirm additional resources to the southwest of the permitted GTO Pit at Lisbon Valley. The proposed activities are located within Section 1, Township 31 South, Range 25 East; and Section 6, Township 31 South, Range 26 East.

Previous exploration at the project in this area reveals that overland travel/trail access disturbances impacts a 16-foot width or less on average. Drill sites measure 25' x 50' for drilling, mud pits, and support vehicles.

A breakdown of proposed exploration/use/disturbance, by surface ownership, for the 25 sites/holes and affiliated access is as follows:

Bureau of Land Management Controlled Lands

- Number of Drill Sites	12
- Linear feet of access/overland travel	2100'
- Area of impact/use (assuming 16' access width and a 32' X 50' drill site) =	~0.77 acre

Private Controlled Lands

- Number of Drill Sites	13
- Linear feet of access/overland travel	2500'
- Area of impact/use (assuming 16' access width and a 32' X 50' drill site) =	~1.4 acre

**RECEIVED**

**SEP 30 2003**

**DIV. OF OIL, GAS & MINING**



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Ms. Denise Swanke  
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**Project Totals**

- Number of Drill Sites	25
- Linear feet of access/overland travel	4600'
- Area of impact (assuming 16' access width and a 32' X 50' drill site) =	~2.17 acres

A map of proposed access routes and drill sites is provided as **Attachment 1**.

Drilling will be to depths of up to 600 feet. Water in this area of the project is approximately 550 feet below ground surface.

The equipment that will be utilized to perform this proposed activity includes one minimal impact all-terrain reverse-circulation drill rig and support vehicles (pick-ups and drill rig support vehicles, etc.). A backhoe may be utilized for this request to provide safe access, a level drilling surface, sumps to contain excess drill cutting material, and for reclamation activities.

No cultural resources or sensitive species of vegetation or wildlife are anticipated to be impacted by this request since proposed activities are located within previously inventoried/approved mine related activities.

Following completion of the drilling activities, the areas will be cleaned up. Drill holes that encounter groundwater will be plugged with bentonite plug and cuttings will be shoveled back down the holes. The sites will be graded, contoured, and seeded (during the proper planting season).

For budgeting/reclamation bonding purposes, groundwater is expected to be encountered in all 25 holes. If encountered, this will require a bentonite seal (plug) upon abandonment. Summo has projected a maximum total of 1,250 linear feet of bentonite plugging for this proposal. Surface disturbance on access trails will also be scarified and reseeded. All support equipment and supplies will be removed from the site. An estimate of reclamation costs for bonding purposes is provided in **Attachment 2**. All conditions attached to previous drilling efforts will be complied with.

Summo has completed the majority of site reclamation (grading, contouring, and hole plugging) for exploration activities performed during 1999/2000. If a site inspection is necessary for this drilling request, we would like to schedule some additional time for inspection of completed reclamation activities and an evaluation of bond reduction opportunity.

Summo wishes to begin drilling this fall (weather permitting). Once you have reviewed and approved the proposed plan, I will prepare and submit the necessary Reclamation Contract. Due to availability and costs of surety bonds in the current insurance market environment, Summo will submit a Cash Bond or CD to guarantee reclamation for this activity. If you have any questions regarding this request, please contact me at the listed letterhead number.



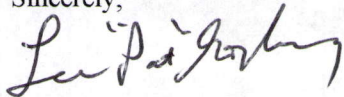
Mr. Doug Jensen  
Ms. Denise Swanke  
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Sincerely,

A handwritten signature in dark ink, appearing to read "Lee Pat Gochmour". The signature is fluid and cursive, with the first name "Lee" and last name "Gochmour" being more legible than the middle name "Pat".

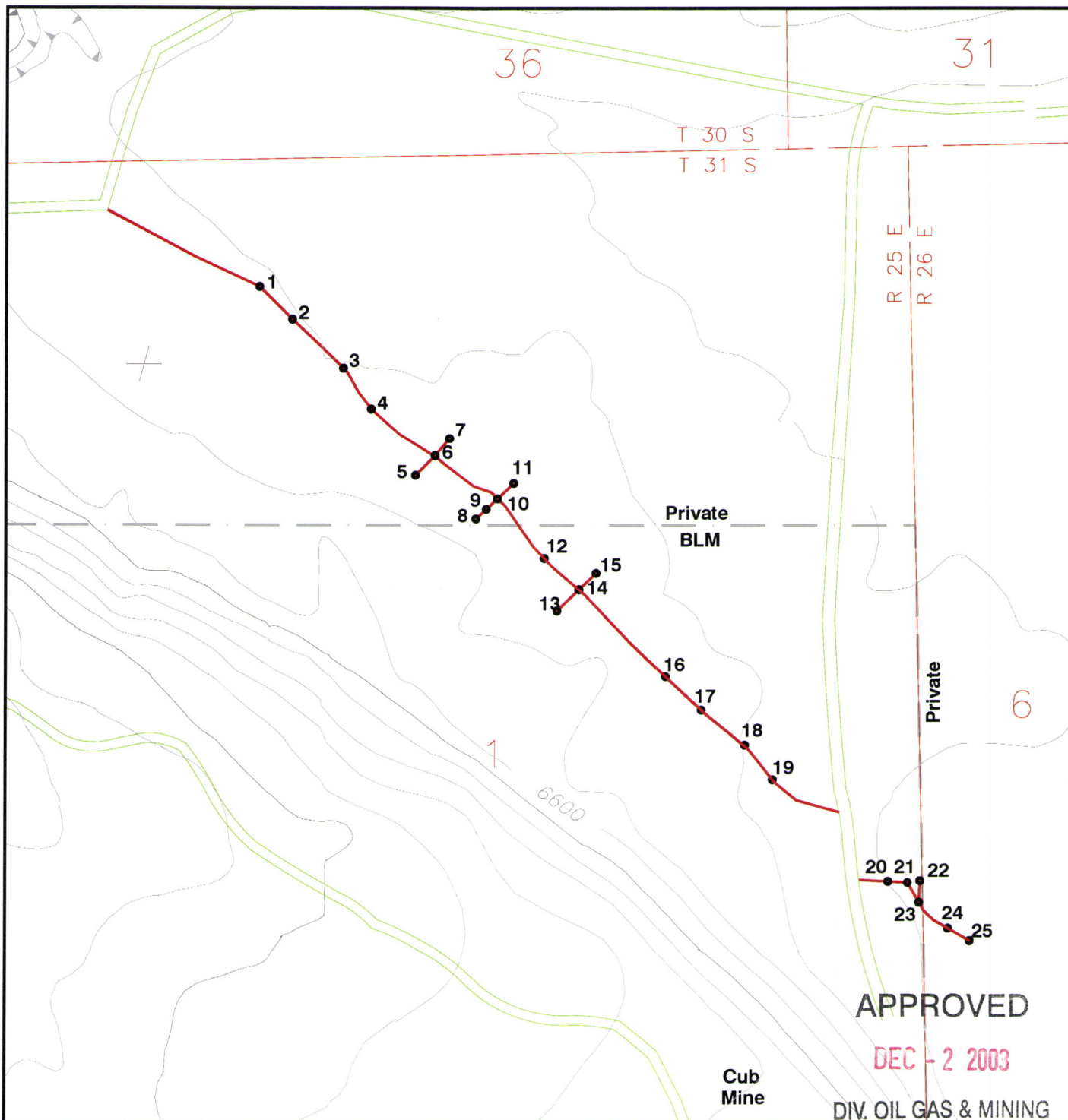
Lee "Pat" Gochmour  
Consultant to Summo USA Corporation

Attachments (2)




cc: Greg Hahn - Summo

**Attachment 1**  
**Map of Proposed Exploration Plan**

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**LEGEND**

-  - Existing Access Route
-  - New Access Route
-  - Proposed Drill Sites



SCALE IN FEET



GOCHNOUR & ASSOCIATES, INC.

**Lisbon Valley Project**

Fall 2003

**Exploration Project**

SCALE: 1"=500'

**Attachment 2**  
**Reclamation Costs Estimates**

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## Reclamation Cost Estimates

Bentonite Plugging - Up to 1250 feet (5" hole) @\$3.00 per foot	= \$3,750.00
Overland Travel/Access Reclamation - 4,600 linear feet @ \$1.00 per linear foot	= \$4,600.00
Drill Site Reclamation - 25 sites @ \$150 per site	= <u>\$3,750.00</u>

**Total = \$12,100.00**

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